

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Greenbaum

Date: October 15, 2003

Opposition No. 91153683

UNIVERSAL CITY STUDIOS
LLLP, SUBSTITUTED FOR
UNIVERSAL CITY STUDIOS,
INC.

v.

VALEN BROST

Before Cissel, Hairston and Walters, Administrative
Trademark Judges.

By the Board.

Valen Brost has applied to register the mark UNIVERSAL TOYS for toy rockets.¹ Universal City Studios LLLP has opposed registration of the mark on the grounds that applicant's mark, when used on the identified goods, is likely to cause confusion with opposer's previously used and registered UNIVERSAL and UNIVERSAL-inclusive marks for a variety of entertainment, communication, marketing and development services and products, including the licensing and sale of toys.²

¹ Application Serial No. 76295515, filed August 6, 2001, claiming July 1, 2001 as the date of first use of the mark anywhere, and July 31, 2001 as the date of first use of the mark in interstate commerce.

² Opposer listed the marks shown in the following registrations: Registration No. 1144545 for the mark UNIVERSAL for

In his answer, applicant denied the salient allegations of the notice of opposition, and asserted as affirmative defenses laches, acquiescence and estoppel.

Applicant's Technical Default

Before we turn to opposer's motion for partial summary judgment on applicant's affirmative defenses, and applicant's cross-motion for discovery under Fed. R. Civ. P. 56(f), we address two preliminary issues.

First, as opposer mentions in a footnote to its partial summary judgment motion, applicant filed his answer on January 21, 2003, with a certificate of mailing dated January 17, 2003. However, applicant's answer was due on January 11, 2003.³ Although the Board did not issue an order to show cause why default should not be entered against applicant for failure to file a timely answer,

"entertainment services, namely, production of motion picture films for theatrical and television use and distribution of such films produced by applicant and by others"; Registration No. 1531018 for the mark UNIVERSAL STUDIOS for "toys and games, namely, toy watches; toy sunglasses; dolls; stuffed toy animals; puzzles; Christmas tree ornaments"; Registration No. 1637487 for the mark UNIVERSAL for "motion picture photoplays, motion picture and sound films"; Registration No. 1803468 for the mark UNIVERASAL and Globe Design for "entertainment services, namely, production and distribution of a variety of motion pictures and television programs for presentation over television and in theaters"; and Registration No. 1918128 for the mark UNIVERSAL INTERACTIVE STUDIOS for "interactive video game programs and interactive video games of virtual reality comprised of computer hardware and software." All of the listed registrations have become incontestable.

³ See Trademark Rule 2.196 for due dates falling on weekends and Federal holidays.

applicant technically is in default. See Trademark Rule 2.106(a); Fed. R. Civ. P. 55(a).

Whether default judgment should be entered against a party is determined in accordance with Fed. R. Civ. P. 55(c), which reads in pertinent part: "for good cause shown the court may set aside an entry of default." As a general rule, good cause will be found where the defendant's delay has not been willful or in bad faith, when prejudice to the plaintiff is lacking, and where defendant has a meritorious defense. See *Fred Hyman Beverly Hills, Inc. v. Jacques Bernier, Inc.*, 21 USPQ2d 1556 (TTAB 1991).

In this case, we find that opposer is not prejudiced by applicant's late answer and, by filing an answer which denies the fundamental allegations in the notice of opposition, applicant has asserted a meritorious defense to this action. However, applicant has offered no explanation as to why he failed to timely file his answer. In view of the foregoing, applicant is allowed until **THIRTY DAYS** from the mailing date of this order to explain why his answer was filed late.

Opposer's Motion to Substitute Universal City Studios LLLP for Universal City Studios, Inc.

The second issue concerns opposer's motion to substitute parties based on several corporate conversions and changes of name in May 2002 from Universal City Studios,

Inc. to Universal City Studios LLLP. The parties have fully briefed the issue, and we have considered opposer's reply. See Trademark Rule 2.127(a).

The Board instituted this proceeding on December 2, 2002. On November 20, 2002, the USPTO's Assignment Services Division recorded opposer's conversion/change of name for, *inter alia*, the trademark registrations pleaded in this opposition.⁴ As the successor-in-interest to Universal City Studios, Inc., Universal City Studios LLLP owns the pleaded trademark registrations. Inasmuch as the Office recorded the name change eleven days before the Board instituted this proceeding, and because Universal City Studios, Inc. no longer exists, opposer's motion to substitute is granted. See *SDT, Inc. v. Patterson Dental Co.*, 30 USPQ2d 1707, 1709, n.3 (TTAB 1994) (when an opposer is acquired by another party, "[t]he transferee will be substituted if the transfer occurred prior to the commencement of the proceeding.")

Opposer's Motion for Partial Summary Judgment on Applicant's Affirmative Defenses; Applicant's Motion for Discovery Pursuant to Fed. R. Civ. P. 56(f)

We now turn to opposer's motion for partial summary judgment on applicant's affirmative defenses, and applicant's cross-motion for 56(f) discovery. The parties have fully briefed the motions, and we have considered

⁴ Reel 2612, Frame 0149; Reel 2617, Frame 0197; and Reel 2619, Frame 0801.

opposer's reply in support of the partial summary judgment motion. See Trademark Rule 2.127(a).

A party that seeks Rule 56(f) discovery must state, in an affidavit or declaration under 37 C.F.R. §2.20, the reasons why it is unable, without such discovery, to present by affidavit, facts sufficient to show the existence of a genuine issue of material fact for trial. See *Keebler Co. v. Murray Bakery Products*, 866 F.2d 1386, 9 USPQ2d 1736 (Fed. Cir. 1989).

In his brief, applicant states that partial summary judgment is premature because neither party has conducted discovery, and he requires discovery to address some of the issues raised in opposer's motion. In the supporting declaration, applicant's attorney, Kenneth N. Caldwell, states that:

Applicant intends to seek discovery concerning the marks and related goods claimed by Opposer, the chain-of-title with respect to said marks. In addition, Applicant will seek discovery concerning any claimed damages to Opposer as they may relate to the marks 'UNIVERSAL GAMES' and 'UNIVERSAL TOYS,' respectively.

Upon information and belief, the discovery obtained may allow Applicant to further identify genuine issues of material fact in response to the Motion for Partial Summary Judgment.

Caldwell Decl., pars. 3 and 4, respectively.

Applicant is reminded that the purpose of 56(f) discovery is to allow the party seeking such discovery to obtain evidence necessary to respond to a summary judgment

motion, and not to obtain general discovery. Inasmuch as we have granted opposer's motion to substitute, to the extent applicant seeks 56(f) discovery to establish opposer's alleged lack of standing to oppose, the motion is moot.⁵

Further, applicant does not require 56(f) discovery from opposer on the affirmative defenses of laches, acquiescence and estoppel; applicant already possesses the information he requires to establish these equitable defenses. See *DAK Indus. Inc. v. Daiichi Kosho Co. Ltd.*, 25 USPQ2d 1622, 1625 (TTAB 1993).

Accordingly, applicant's motion for 56(f) discovery is denied.

We now turn to opposer's motion for partial summary judgment on applicant's affirmative defenses.

A party is entitled to summary judgment when it has demonstrated that there are no genuine issues as to any material facts, and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). The evidence must be viewed in a light favorable to the nonmoving party, and all justifiable inferences are to be drawn in the nonmovant's

⁵ In applicant's response to the partial summary judgment motion, applicant raises the issue of opposer's standing in view of opposer's motion to substitute. Applicant also argues that if Universal City Studios LLLP is recognized as the opposer, its claims are barred by laches and estoppel because the former entity requested an extension of time to oppose. We do not find these arguments persuasive. The full text of applicant's estoppel and laches arguments is reproduced on p. 11, *infra*.

favor. *Opryland USA Inc. v. The Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992).

Upon careful consideration of the arguments and evidence presented by the parties, and drawing all inferences with respect to the motion in favor of applicant as the nonmoving party, we find that there are no genuine issues of material fact which require a trial for resolution. We therefore grant opposer's motion for partial summary judgment on applicant's affirmative defenses.

Laches

By his first affirmative defense, applicant asserts a "prior registration" or "Morehouse" defense, namely, that opposer's claims "are barred by laches based on another incontestable mark 'Universal Games' of which the instant mark is derivative."⁶ See *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 160 USPQ 715 (CCPA 1969).

The *Morehouse* defense only applies when the marks and goods in the prior registration and involved application are "substantially identical." See *TBC Corp. v. Grand Prix Ltd.*, 12 USPQ2d 1311, 1314 (TTAB 1989)(citations omitted). For purposes of the *Morehouse* defense, two marks are "substantially identical" when they are either literally

⁶ Although applicant did not provide a copy of the UNIVERSAL GAMES registration, or any further identifying information, opposer submitted as an attachment to its partial summary judgment motion a copy of said registration. (Registration No. 1990982 for board games, registered August 6, 1996.)

identical or legally equivalent.⁷ See *O-M Bread Inc. v. United States Olympic Committee*, 65 F.3d 933, 36 USPQ2d 1041 (Fed. Cir. 1995)(OLYMPIC and OLYMPIC KIDS are neither the same nor legally equivalent). In determining whether the goods are "substantially identical," the *Morehouse* defense requires the goods to be "identical, substantially the same, or so related so as to represent in law a distinction without a difference." *La Fara Importing Co. v. F. Lli de Cecco*, 8 USPQ2d 1143, 1147 (TTAB 1988)(spaghetti sauce and alimentary pastes not substantially the same); see also *TBC Corp, supra*, 12 USPQ2d at 1314 (car wash services and various automotive parts and products not substantially the same).

There is no genuine issue of material fact that the marks UNIVERSAL TOYS and UNIVERSAL GAMES, and their associated goods, namely, toy rockets and board games, are not "substantially identical."

With regard to the marks, we acknowledge that applicant's marks share the term UNIVERSAL. However, the second word in each mark differs, and, considering the marks in their entireties, UNIVERSAL GAMES and UNIVERSAL TOYS do not "create the same, continuing commercial impression."

⁷ Two marks are legally equivalent if they "'create the same, continuing commercial impression' and the later mark should not materially differ from or alter the character of the [prior] mark. . . ." *Van Dyne-Crotty Inc. v. Wear-Guard Corp.*, 926 F2d 1156, 17 USPQ2d 1866, 1868 (Fed. Cir. 1991).

Van Dyne-Crotty, supra, 926 F.2d 1156, 17 USPQ2d 1866.

Moreover, when applicant filed the involved application, he included a cover letter dated July 31, 2001, stating:

I currently am the registered owner for the tm 'Universal Games.' I am starting a toy division under the name 'Universal Toys.' Please issue the tm Universal Toys. I do not object to the use of the tm 'Universal Toys' as infringing on, or being confusingly similar to my tm 'Universal Games.'

Thus, applicant recognized that UNIVERSAL TOYS and UNIVERSAL GAMES are different.

With regard to the goods, applicant relies on dictionary definitions to support his argument that the words "toys" and "games" are legal equivalents and that "a toy is a specific type of game for children." However, the cited references define "toy" and "game" differently.⁸ In addition, applicant makes no argument regarding the relationship between the specific goods identified in the involved application and his prior registration, namely, toy rockets and board games. Instead, applicant argues the purported similarities between the general categories of toys and games.

Although opposer concedes that toy rockets and board games are "somewhat similar" in that they are intended for

⁸ According to applicant: "[t]he American Heritage Dictionary defines "game" as: '[a] way of amusing oneself; a past time; diversion.' The same dictionary defines 'toy' as 'an object for children to play with.'"

children's recreational use, this relationship is too tenuous to support a *Morehouse* defense. See *TBC, supra*, 12 USPQ2d at 1314 (*Morehouse* defense fails as a matter of law where goods are merely "related to and within the natural zone of expansion" of each other.)

Estoppel and Acquiescence

As grounds for applicant's affirmative defenses of estoppel and acquiescence, applicant claims that opposer is "estopped from raising the claims made in this opposition," and that opposer "has impliedly acquiesced to Applicant's use of the published mark."

It is well settled that "[a]cquiescence and estoppel require some affirmative act by opposer which led applicant to reasonably believe that opposer would not oppose applicant's registration of its mark." *DAK Indus. Inc., supra*, 25 USPQ2d at 1625.

Opposer contends that there was no affirmative act, or any reasonable basis for applicant to believe opposer would not file the instant proceeding. Opposer submitted the declaration of Anne B. Nielsen, opposer's Vice President and Senior Trademark Counsel in support of the partial summary judgment motion, and, in particular, to support this contention. In her declaration, Ms. Nielsen states that the parties had no contact before the involved application was published for opposition, and that opposer never told

applicant or his representatives that opposer would not oppose registration. See Nielsen Declaration, par. 2.

With respect to the affirmative defense of estoppel, in response to the partial summary judgment motion, applicant argues that:

Universal City Studios, LLLP has filed a motion to be substituted in place of Universal City Studios, Inc., however, the affirmative act of having one entity filing an opposition is an affirmative act that would legitimately lead Applicant to believe that the former named entity would not opposer Applicant's registration of the mark, and therefore it should be estopped from doing so.

With respect to the affirmative defense of laches, applicant argues that:

[e]ven if the laches period begins to run when the mark is published for opposition, i.e., June 18, 2002, Universal City Studios, LLLP's attempt to file a Motion for Partial Summary Judgment when it neither requested an extension of time nor opposed the registration constituted laches as a matter of law.

As we stated in footnote 5, *supra*, we do not find these arguments persuasive.

In addition, to the extent applicant's acquiescence defense is a variation of a laches defense based upon opposer's alleged failure to challenge applicant's claimed use of the mark, that defense is not available to applicant. See *NCTA v. American Cinema Editors*, 937 F.2d 1572, 19 USPQ2d 1424 1431 (Fed. Cir. 1991). In an opposition proceeding, laches begins to run upon publication of the mark for opposition. *Id.* at 1432. Applicant's mark was

published for opposition on June 18, 2002. The Board granted opposer three extensions of time to oppose. See Trademark Rule 2.102. Opposer timely filed its notice of opposition on October 15, 2002.

In sum, there are no genuine issues of material fact with respect to applicant's equitable defenses of laches, estoppel and acquiescence. In view thereof, opposer's motion for partial summary judgment is granted.

The parties are allowed THIRTY DAYS from the mailing date of this order to serve responses to any outstanding discovery requests. Trial dates, including the close of discovery, are reset as follows:

DISCOVERY PERIOD TO CLOSE:	February 15, 2004
Testimony period for party in position of plaintiff to close:	May 15, 2004
Testimony period for party in position of defendant to close:	July 14, 2004
Rebuttal testimony period to close:	August 28, 2004

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.